

# Senate Enrolled Act 392: School-Based Services Feasibility Study

Indiana Family and Social Services Administration  
Office of Medicaid Policy and Planning  
Current as of August 21, 2019



# Agenda

- Overview of SEA 392
- School-Based Services Overview & in Indiana
- Mechanisms for Reimbursement in Indiana
- Comparison to Other States
- Federal Process & Guidance



# SEA 392

...(b) The committee shall, not later than November 1, 2019, study, make advisory recommendations under section 2 of this chapter, and report and make recommendations to the legislative council in an electronic format under IC 5-14-6, concerning the feasibility of applying for a Medicaid state plan amendment for the following:

- (1) Medicaid reimbursement for health care services and school based services provided to specified individuals by a school based health center.
- (2) Potential directed payments to school based health centers, including:
  - (A) alternate fee schedule payments under the risk based managed care program equivalent to the fee that Medicare pays for the service, or if there is not a Medicare rate for the service, an amount determined by the office of Medicaid policy and planning; and
  - (B) supplemental Medicaid reimbursement payments to qualified school based health centers under the fee for service Medicaid program...



# School-Based Services Overview

- Medicaid reimbursement for Individualized Education Program (IEP), individualized family service plan (IFSP) for children under three, or under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit in a school setting
- Schools may also receive Medicaid reimbursement for related administrative activities



# School-based Services in Indiana

- Schools may claim Medicaid reimbursement for covered IEP services—such as therapies, nursing, mental health, audiology, and specialized transportation—subject to parental consent
- Can also claim for Medicaid Administrative Claiming (MAC)
- Indiana DOE funds the state share for IEP-related Medicaid services



# Reimbursement for Indiana Schools

- Three mechanisms:
  - (1) IEP services when the services are medically necessary, consistent with the definition as stated in 405 IAC 5-2-13.2 and provided consistent to a Medicaid-enrolled student's IEP. IEP services are carved out of managed care.
  - (2) All Medicaid covered services when provided in a school setting in partnership with a Federally Qualified Health Center (FQHC) or Rural Health Center (RHC).
  - (3) A Medicaid enrolled provider working within their scope.



# Reimbursement for Indiana Schools

- Schools are only eligible for Medicaid reimbursement when providing IEP-related services
- In all other cases, the FQHC or Medicaid-enrolled provider providing services for the Medicaid-enrolled member is reimbursed for the service instead of the school
- By the numbers:
  - FY 2019: \$21,057,992.10 (187 Indiana school corporations for IEP services)
  - FY 2018: \$8,005,745.04 (164 school districts for MAC)



# School-Based Services in Other States

- Wide variance across states, but Indiana is equivalent to or more comprehensive than many other states
- Region V States
- Louisiana and Georgia
- Florida, Massachusetts, and North Carolina



# Federal Process for State Plan Amendments (SPA)

- State Plan is a comprehensive written statement that describes the nature and scope of the Indiana Medicaid Program
- Must be amended as necessary to reflect federal law, regulations, court decisions, policy interpretations, etc.
- Identical process for each SPA requiring significant negotiation with the federal government



# Federal Guidance

- Negotiation process for SPAs involves references to federal guidance
- Two important pieces of federal guidance for the school-based services study:
  - State Medicaid Director Letter 14-006: Free Care Reversal
  - State Medicaid Director Letter 14-004: Safeguards Surrounding Medicaid Dollars

# Recommendations of the MAC

- Question and Comment?

